



***The Asia Foundation's Perspective: Australia and  
America as Natural Partners in  
Asian Development Programming***

***The Alfred Deakin Lecture***

*Melbourne University*

By

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## **I. The Historical Origins of the Australian-American Relationship**

It is, of course, appropriate that I should speak on the topic of the Australian-American relationship at a lecture honoring a very distinguished Australian, a founding father, Alfred Deakin. I believe it is even more appropriate that the particular focus of my lecture should be on that relationship in the context of the Asia-Pacific region.

Australia's second prime minister was acutely conscious of the importance of America, and Australia's relationship with it. He obviously was also all too aware of Australia's relative isolation from Great Britain, of the colonial presence of France and Germany, rival European powers, in the Asia-Pacific region, and of the rise of Japanese military power.

By the standards of his time, Deakin was a frequent visitor to the US- both before and after his various stints as prime minister. That experience seemed to enable him to develop an appreciation for the United States, its people and its values. In one whirlwind visit from late 1884 to early 1885 – that is, nearly two decades before he first became Australian Prime Minister- he visited California, Colorado, Arizona, Kansas and Nevada to study American irrigation systems in his role at the time as Victorian Minister for Water Supply. By all reports, this was no junket. Rather Deakin filled his days with site visits and interviews with anyone remotely involved with or affected by irrigation: from legislators to engineers; from farmers to capitalists. Not content with a visit only to rural America, he also managed to squeeze in side visits to New York and Boston. And all this in the days before Qantas and United Airlines!

Of course there were earlier 19<sup>th</sup> century Australian contacts with the United States, and notably a significant migration of Australians to the gold fields of California in the 1850's. I would think that the Australians of that era were very easily acclimated to the rough and tumble California Gold Rush atmosphere they encountered in San Francisco and the Mother Lode Country in the foothills of the Sierra Nevada Mountains.

The significance of Deakin's understanding of the US, and his consciousness of the need to cultivate an Australia-US relationship cannot be overstated. Cast your minds back, ladies and gentlemen, to the beginning of the 20<sup>th</sup> century. Australia had only recently been born as a nation, in no small part due to the work of Alfred Deakin. Although the Australian people had voted to federate and approved Australia's constitution, ties to Britain remained strong. Indeed, although the Australian people had voted to federate, at the time the new constitution's legitimacy was seen as being at least equally attributable to an Act of the British Parliament. By and large, people regarded themselves not simply as Victorians, not simply as Australians, but also as British. It was therefore an enormous step for an Australian Prime Minister in 1907 to act inconsistently with British wishes on foreign policy, let alone to seek to cultivate a relationship with another emerging world power—the United States of America.

Yet that is precisely what Deakin did. He engineered a visit to Australia in 1908 by a US naval fleet without consulting the British and then, subsequently, despite British objections. And by a fleet, I mean a fleet – the American ‘Great White Fleet’ as it was then known. Battleships painted white except for gilded bows, as a symbol that they came in peace --with 14,000 sailors and marines.

After leaving Hampton Roads, Virginia in December 1907 under President Teddy Roosevelt’s personal initiative and his watchful eye from the presidential yacht, they began their trip around the world, with port calls in Latin America, the American West Coast, Honolulu, and Auckland; they arrived in Sydney eight months later on August 20<sup>th</sup>, 1908. Materials from the U.S. Navy Historical Center indicate that the fleet was greeted in Sydney “by more than 250,000 people who had stayed up all night so as not to miss the ships’ arrival” and that for the next eight days, there was a non-stop celebration in honor of the Navy visitors.<sup>1</sup> According to that account, even though sailors universally are known for their energetic shore leave activities, to put it politely, eventually some of the sailors began “to feel the wear and tear” of the Sydney welcome. The official journals report that one American sailor was found asleep on a Sydney park bench with a sign he had posted overhead. It read:

“Yes, I am delighted with the Australian people. Yes, I think your park is the finest in the world. Now I am very tired and would like to go to sleep.”<sup>2</sup>

Next port call was Melbourne, and this city too rolled out the red carpet for the fleet. It is said that nothing was too good for the Yankee sailors; they were given the key to the city [and a lot more I’d guess]. The journal indicates that Melbourne’s hospitality made such an impression that many sailors were reluctant to leave eight days later. However, no doubt the Melbourne mothers breathed a collective sigh of relief.

As I mentioned, Prime Minister Deakin had begun to cultivate a relationship with America over British foreign policy objections. In a somewhat related fashion, President Roosevelt launched the fleet on this 43,000 mile, 14-month circumnavigation of the globe, with 20 port calls on six continents, in secret; only a few of the highest naval officials knew it was to be more than a West Coast training exercise. Once underway, when the chairman of the Senate Naval Appropriations Committee threatened to withhold money for the cruise, Teddy’s biographers reported that Roosevelt in his brusque and forthright fashion declared that he already had the money to send the fleet on its way and dared the Congress to “try and get it back.” Additionally, he reasoned that if he got the fleet halfway around the world, Congress would need to appropriate the money to sail it home.<sup>3</sup>

I hope you have found the story about the Great White Fleet interesting and even amusing, but I cite it as the first major foreign policy congruence between Australia and the United States. Why did Alfred Deakin invite the American fleet to visit Australia? Quite simply, because it was in Australia’s national interest to do so.

Australians had for some time been nervous about the French and German presence in the Pacific. And Japan was beginning to flex its muscles- as evidenced by the unexpectedly successful destruction of a Russian fleet. At the same time, Britain was withdrawing its navy farther and farther from Australia to concentrate on its European rivals' increased naval power closer to home. That left Australia exposed -- it had no navy of its own, but rather merely contributed to pay the cost of the British Royal Navy. At the time, Britain and Japan had entered into an alliance and Australia was nominally dependent on the Japanese fleet for its defense. To put it plainly, Australia was very uncomfortable with that arrangement. The invitation to, and visit by, the Great White Fleet is certainly important, for Deakin was signaling a willingness by Australia to look beyond Great Britain and to develop an independent foreign policy.

Not only was Deakin sufficiently concerned to start an Australian navy, he was also motivated to build relationships with others who might come to protect Australia's interests.

Also, Deakin's invitation was significant from America's perspective. The US military had had little exposure to the Australian people. Strategically, the US was also concerned about the rise of Japan -- not to mention Japan's alliance with Great Britain, the leading world power of the day.

It is generally concluded that America's problems with Japan started after President Roosevelt mediated the 1906 Treaty of Portsmouth which set terms of peace in the Russo-Japanese War. The Japanese, clearly but perhaps unexpectedly triumphant, blamed Roosevelt for what they considered to be insufficient spoils at the peace table. Roosevelt especially wanted to avoid hostilities with the Japanese knowing that America was poorly prepared and deployed for a Pacific conflict; nearly all of the U.S. battle fleet was in the Atlantic. Thus a primary Roosevelt purpose in sending the Great White Fleet to the Pacific was to demonstrate its global reach. He sent the new fleet, which he had quickly built largely by sheer presidential will power and audacious clout, as a battle-ready American navy to impress the Japanese and avoid a war. It is also reported that already at that early date the U.S. feared Australia could be taken by the Japanese and used as a base of action against American interests. Like Prime Minister Deakin, President Theodore Roosevelt was acting in his country's national interest by deploying the Great White Fleet conspicuously to Australian ports. President Teddy Roosevelt firmly believed that a strong navy was essential to project American power and defend its interests.

Incidentally the fleets' seven day visit to Yokohama, Japan was met with overflowing Japanese hospitality and mutual good will, with the flag officers actually given room accommodations at the emperor's palace. The only unintended unsettling happening, according to U.S. Navy records, is that exuberant Imperial Navy cadets unexpectedly picked up U.S. Fleet Admiral Charles S. Sperry "and hurled him into the air three times, shouting 'banzai' with each liftoff."

It is said that “the fleet’s Japan visit had the desired result; it generated good will between both countries and eased tensions that might otherwise have led to open conflict.” No doubt all the 16 new battleships streaming into Tokyo Bay also made an impression!<sup>4</sup>

Beyond all of these matters of strategic interests to our two countries, the visit of the Great White Fleet enabled the US military to observe and to understand the Australian people and vice versa. It enabled them to gain insights into the similarities between Australia and the United States. In short, it provided a firm foundation for what has proven to be a lasting friendship.

There was, of course, another time when Australia defied the British and I believe that historians agree that it was a critical moment in Australian history, a signal event in Australia’s maturation to full nationhood. It came when Prime Minister John Curtin resisted unprecedented pressure from a British leader, Winston Churchill, and pressure from President Franklin D. Roosevelt, in February of 1942. Churchill ordered the convoy of Australian troops from the Middle East Theatre, the 7<sup>th</sup> Division, to be diverted for the defense of Burma after the fall of Singapore. Churchill ordered such a change to the convoy despite the objections of Curtin who responded to the concerns of the Australian Chiefs of Staff about the defense of Australia against a Japanese invasion.

As Australians know, John Curtin prevailed and those forces, placed under American General Douglas MacArthur, were crucial as MacArthur’s primary force had been captured in the Philippines. These troops were crucial not only as a direct defense force for Australia to deter a Japanese invasion, they were crucial in MacArthur’s recovery to fight the land war of the Pacific. Paul Kelly in writing The Australian Story, has pointed out that until the middle of 1944 there were more Australian troops under MacArthur’s command than Americans. He understandably concluded that Australian troops made MacArthur’s reputation in New Guinea. Although our alliance was not formalized until the ANZUS Treaty of 1951, it is the consensus that the World War II experience I’ve just described was really the consolidating one for the strong Australian-American alliance that has continued to this day.<sup>5</sup>

## **II. Shared Values and Ideals**

I am confident that today an overwhelming majority of both Americans and Australians recognize and really appreciate the fact that our two nations broadly share a wide array of democratic values and have many civil institutions in common. We embrace the principles and practice of representative democracy, the rule of law, personal liberties, the value of the individual, egalitarianism, and respect for human rights. Your own country’s recent Foreign Policy Brief on the Australia-American relationship put it succinctly and well in this manner: “Australia’s longstanding partnership with the United States is founded on shared values and ideas. We both have deep democratic traditions and aspirations. We share elements of common heritage and a record of cooperation and sacrifice.”<sup>6</sup>

Of course, we also recognize that in both our nations we have attitudinal differences among and between our respective citizenries and imperfections in each of our countries in the degree, manner, diligence, and history of our support for these values we hold in common. There are also many points of shared historical, cultural, and political heritage between Australians and Americans, which underpin the mutual curiosity, respect, and rapport for each other which we have.

Given our shared values and ideals, our elements of common heritage, rapport, and long-term record of cooperation and shared wartime sacrifices, it is, I believe, entirely understandable that our separate development assistance programs for Asian countries have great similarities and, even more importantly, our experiences point to opportunities for even greater cooperation and collaboration in the future.

### **III. Australia and America: Shared Foreign Aid Objectives**

As I have suggested, with so much in common between our two countries – the heritage of our people and cultures and our democratic principles and institutions – it is not at all surprising that our foreign aid development programs have a very similar orientation. Of course Australia, a country of 20 million people focuses understandably and generously on aid for its region and its neighbors, while the United States has global interests. In the most recent fiscal years Australia focused 66% of its 2.133 billion in Australian dollars directly on the Asia-Pacific region, and 29% on multilateral development banks – much of it also went to the region. Thirty-nine percent of total aid was for Papua New Guinea and the Pacific Island nations. The U.S. in contrast allocated about 12.6% of its US \$11.55 billion in bilateral aid to the same region, along with additional significant aid to the region through multilateral institutions.<sup>7</sup>

Australia is forthright in formally declaring that its aid “will continue to be concentrated on the Asia-Pacific region, where the majority of the world’s poor live, where we are well placed to assist, and where our national interests are best served.”<sup>8</sup> The description of the overarching rationale for your foreign aid programs stress one primary, shared objective in your respective mission statement for foreign aid: The Australian Government states that “The purpose of [its] foreign and trade policy is to advance the national interest -- the security and prosperity of Australia and Australians,”<sup>9</sup> while the American Government states that “the primary aims of U.S. foreign policy and development assistance...[is to] create a more secure, democratic, and prosperous world for the benefit of the American people and international community.”<sup>10</sup>

Both countries’ aid programs also clearly recognized the crucial importance of assisting the developing countries to face the challenges and opportunities of globalization and the more important transnational problems and trends. In the vital area of governance reform, both countries emphasize its criticality in the development process through their

statements of aid priorities. The Australian Agency for the International Development (AusAID) statement is as follows:

“The elements of governance are interdependent. Reforms in economic management have to be supported in mostly reinforcing ways. Efforts must be made to develop the institutional environment needed for the effective operation of a liberal market economy – the rule of law, a competent public administration and the development of democratic processes. Australia will need to make choices in the focus of its assistance efforts, but these choices must recognize the integrated nature of governance, and the need for mutually reinforcing initiatives.”<sup>11</sup>

Equally perceptive is the joint mission statement on governance of the U.S. State Department and the U.S. Agency for International Development (USAID) which reads as follows:

“The broad aim of our diplomacy and development assistance is to turn vicious circles into virtuous ones, where accountable governments, political and economic freedoms, investing in people, and respect for individuals beget prosperity, healthy and educated populations, and political stability. Actions taken to achieve these goals are mutually reinforcing: 1) democratic elections and growing civil societies strengthen the resolve and robustness of economic reforms; 2) credible rule of law is essential to fighting corruption and fostering economic investment and growth...”<sup>12</sup>

As you may conclude from my preceding comments, the official foreign aid objectives of Australia and the United States are in many respects congruent. While the focus of my presentation tonight is to underscore the important collaboration of Australia and the United States in furthering the development of a peaceful, prosperous, and open Asia-Pacific region, it also is important to note in this endeavor the collaboration between organizations at the nongovernmental level.

In its summary of the Australian Government’s budget for foreign aid programs in 2005-2006, the Australian Agency for International Development declares, “NGOs and volunteers play an important role in delivering a high quality aid program.” Indeed, the Australian Government has proposed \$27 million for the AusAID-NGO Cooperation Program (ANCP) for 2005-2006.<sup>13</sup> In the United States, NGOs and volunteers also play a significant role in aid delivery. As American NGOs moved quickly to assist in the massive recovery projects which followed last year’s devastating tsunami in the Asia-Pacific region, President George W. Bush commented, “The United States government and the NGOs that have worked so hard for so long in the [Asia-Pacific] region are committed to this area of the world for a long time.”<sup>14</sup>

Unquestionably, international development is advanced through the independent missions of Save the Children Australia, Oxfam Australia, Care Australia, and other organizations which comprise a diverse NGO community in this country. Additionally, the

collaboration between Australian and American NGOs, which are dedicated to improving international relations and development in the Asia-Pacific region, has both a positive recent history and great potential for future success.

As an example of the positive collaboration between Australian and American NGOs, I would like to highlight the efforts of the Asia Pacific Philanthropy Consortium. The Asia Foundation – the American NGO which I now lead – and the Myer Foundation in Australia had a major role in establishing the Asia Pacific Philanthropy Consortium in 1994 for the purpose of promoting local philanthropy in Asia and strengthening international collaboration among foundations in Asia, Australia, and the United States.

Among its accomplishments over the past decade, the Consortium has published two pioneering volumes on the legal and regulatory frameworks governing the nonprofit sector in 15 Asian countries; conducted the first systematic survey of fundraising and charitable giving in seven Asian countries; created a comprehensive and widely-used website on Asia philanthropy ([www.asianphilanthropy.org](http://www.asianphilanthropy.org)); supported numerous research projects, international conferences, and study tours for Asian government and nonprofit leaders and scholars; and established itself as the premier resource on indigenous philanthropy in Asia.<sup>15</sup> I believe the efforts of The Asia Foundation, Myer Foundation, and other partners in the Consortium serve as a shining example of the productive capabilities and prospects for success which collaboration between Australian and American NGOs can yield.

#### **IV. The Asia Foundation: Its Orientation and Governance Reform Model**

In addition to my Congressional perspective on Australian-American relations with which I will end my remarks tonight, the other area where I now have a different vantage point for a perspective which I hope you might find to be of interest, comes from my new leadership position for the development work that The Asia Foundation conducts in Asia. That in turn will lead me to share my views about the very good development results I see possible when Australia and the United States coordinate and collaborate in their foreign-assistance programs for the Asia-Pacific region.

First, permit me to share a few words of background about The Asia Foundation and then about our approach to development programs. For the last 51 years the Foundation has pursued diverse development programs in Asia, with on-the-ground presence in more than twenty countries through our eighteen resident offices. We have, I believe it is fair to say, become a premier non-profit organization devoted to Asia's development. We operate as a contributor, facilitator, and responsive partner in development. In fact The Asia Foundation has evolved from a strictly American foundation to become an international organization in the scope of its work and resources. In addition to the resources we use from individual donors, corporations, diverse foundations, The Asian Development Bank, and The World Bank, we are currently working or have recently



worked on projects funded by the national aid agencies of Australia, the United Kingdom, Netherlands, Canada, Denmark, Sweden, as well as the United States. Operating as a part of the local fabric, with most of our employees' being citizens of the country where they work, we are better able to understand Asia's diverse cultures and environments, and thus have a more effective role in implementing development projects with our Asian partners.

Throughout the years, The Asia Foundation has worked with a network of local non-governmental organizations, government leaders, business representatives, and scholars to bring about improvements in governance, free and fair elections, economic policy and entrepreneurship, increased participation of citizens in their societies, and the empowerment of women. By far the largest sector of our development work, however, and perhaps the most pivotal one, is our work in the field of governance. As a result of our long and continuous commitment to development work in Asia, The Foundation has developed a set of theories and practices – an insightful model—which has guided our work in governance. I would like to share a few details about the basic framework of our work in governance with you this evening.<sup>16</sup>

In describing The Asia Foundation's approach or model for governance reform, it is necessary to step back and recognize the Asian backdrop for our development work in governance. As a starting point it is necessary to recognize that over the past half-century, extraordinary economic, social, and demographic changes have swept across Asia, transforming the lives of a third of the world's population. In adapting to these changes, each Asian country has faced the twin challenges of creating a self-sustaining cycle of positive economic and social transformation on the one hand, while managing the threats of domestic conflict, instability, and crisis on the other. Certainly it is the view of The Asia Foundation that the single most critical factor in the relative success of different countries in meeting these development challenges has been the quality of governance.

A common characteristic of development in Asia has been the fact that rates of economic, social, environmental, and technological change have far outpaced the rate of governance reform virtually everywhere in the region. The Foundation believes it is certain that continued significant growth and stability over the coming decades will increasingly depend on improvements in governance.

There are at least four dimensions of governance -- (1) political reform, (2) legal and judicial reform, (3) administrative reform, and (4) security sector reform. The pace of reform within these dimensions has varied tremendously across the region. In fact the pace of political reform, the first dimension of governance reform, perhaps can be described best as democratic change through increased transparency and accountability, broadened citizen participation, and more effective and dynamic relations between state institutions and citizens. This area of reform has received greatly increased international attention since the end of Cold War.

In this first dimension of governance reform, that is political reform, most parts of Asia have been moving in tandem with the rest of the world, since the mid 1980s, in what Samuel Huntington has called the “Third Wave” of democratization. Though India and Japan are the only Asian nations with an unbroken history of electoral democracy since the early 1950s, today over two-thirds of the Asian nations hold regular elections, most of which are considered relatively free and fair. This can be seen as a remarkable achievement, attained in many cases only after major political crises that imposed substantial economic and social cost. At the same time, many of these nations are what some analysts refer to as “semi-democracies” or as only “electoral democracies” (vs. “liberal democracies”), where elements of democratic process exist but where government is neither effective nor responsive to public needs. Semi-democracies are countries that have regular elections and a degree of open media, but where power is concentrated in the hands of narrowly entrenched political parties and administrative elites that maintain control through corruption and patronage. The political process may be dominated by a single political party, or power may shift from one dominant party to the other from one election to the next; however, in neither case is the continued power of entrenched leaders seriously in question. With minimal popular support, governing elites in these countries are rarely interested in tackling the tough reform challenges truly needed to avoid economic and social stagnation and crises.

Some Asian examples suggest that semi-democratic conditions can be both persistent and resistant to change. Indeed real examples in Asia show that a narrow political elite may become entrenched even in more economically advanced, rapidly democratizing nations. A popular political leader can fan the discontent of the working class and the poor and pander to them with populist anti-market and aggressive nationalist rhetoric, all the while undermining democratic checks and balances which could constrain corruption and ensure political competition. To the extent that semi-democratic government in either case fails to deliver effective policies and governing institutions, the problem is a serious threat to both development and the long-term viability of democratic government. Thus, despite advances toward more effective democratic governance in Asia, major challenges to political reform still remain.

The second dimension of governance reform in development assistance which deserves attention is legal and judicial reform. Here it should be noted, first, that although donor investments in the legal and judicial dimension of government have been high over a very long period, the pace of change has been, on the whole, slower than that of political reform. After some four decades of significant donor attention, there are still too few high-capacity, independent judicial institutions anywhere in the world, including Asia.

We Americans, and I believe Australians too, need to recognize that in our development work in Asia, at this juncture a more reflective approach to rule of law reform is clearly required, one that tailors reform programs to specific country contexts. We must focus on the most critical legal functions where the needs are outgrowing the traditional solutions for adjudication and enforcement. Also, we must recognize the rich variety of institutional arrangements which could effectively address those functions. Exactly replicating the Australian or American systems is not the answer.

The third dimension of governance reform in development assistance which deserves our attention is the slowness of administrative reform. This slow pace has been a serious drag on economic growth and social development virtually everywhere in Asia, with the possible exception of the advanced economies of Northeast Asia. Asian administrative institutions are either a legacy of colonial rule and the politics of scarcity, as is the case in most of South Asia, or alternatively they were constructed as instruments of authoritarian or socialist party rule. They have proven notoriously resistant to reform.

China may be the one outlier in this regard; in that country administrative reforms, including administrative law reform, appears to be moving forward at a rapid pace, driven primarily by the Communist Party's central interest in maintaining high growth and its own legitimacy.

The one major Asian development in administrative reform over the past two decades has been administrative decentralization (usually devolution). The result typically has been a corresponding strengthening of democratic local governance, though the actual impact on local economic growth and job creation is still not clear.

Slow progress in legal and judicial administrative reform, reflects the power of entrenched insiders like senior bureaucrats, politically protected economic actors, judges and lawyers; they are resistant to change. The classic approach of development agencies and other donors - - working with a few champions within administrative institutions - - has had limited success over the years. The problem is that in very few countries has the political leadership been willing to challenge the powerful institutional insiders. Even where top leadership may support reform, slow progress reflects the sheer magnitude of the costs and disruptions in normal government operations that would be required for serious restructuring and "catch up" after decades of neglected reform.

The fourth dimension of governance reform, security sector reform, has long been a focus of attention in Asia, but both the nature of conflicts and means for addressing them are evolving rapidly. While inter-state conflict has been declining since the end of the Cold War, intra-state conflict rose sharply in the mid-1990s. International attention to local instability has risen dramatically in the post-9/11 environment. In a world of increasing global connections, failure to manage conflict locally can have wide and serious ramifications for security internationally.

The causes of intra-state conflict are various, but in the absence of sound underlying research, the causes are often only partially understood. Clearly, economic growth has highlighted existing inequalities and created new ones. Global communications and freedom of expression has heightened tensions over traditional values versus modern values. Long-standing social tensions along ethnic, sectarian, and class fault lines are being radicalized by extremist ideology. States themselves, through misguided policies and corrupt practices, have often exacerbated local tensions and heightened frustrations over real or perceived injustices.

In the past, most Asian countries have contained such conflicts and deterred internal threats to national stability through a combination of repression by police and military forces and carefully targeted patronage aimed at buying off troublesome groups or interests. But in a world in which human rights violations are more closely scrutinized by the international community and where many countries no longer have the patronage resources to buy acquiescence, these traditional means are becoming ineffective.

In our development assistance programs we need to face the fact that many attempted “solutions” have been only partially successful at reducing violent local conflict. Given the critical importance of managing conflict as a prerequisite for sustained economic growth and social progress, there is an obvious need for more effective foreign assistance approaches in this area. Development programs must tightly integrate development and conflict management objectives, and build cooperative bridges between the international development assistance and security communities. That is a challenge which also must be met if we are to avoid development work being delayed or destroyed by violent conflicts within a country.

## **V. Australia-U.S. Foreign Aid Collaboration in Indonesia through The Asia Foundation**<sup>17</sup>

As the world’s largest Muslim-majority country, and fourth most populous nation, a stable, democratic and prosperous Indonesia is important for both the US and Australia. Struggling with the lingering effects of the Asian economic crisis, and the endemic corruption and poor governance that are the legacy of decades of autocratic rule, many have seen Indonesia as the definition of a fragile state. But in very recent years the country has made remarkable progress in strengthening its democracy and economy, often with Australian and US assistance provided through The Asia Foundation.

For example; in 2004, Indonesians went to the polls three times for national elections: legislative elections in April, a first round presidential election in July, and the run-off election in September. There were serious concerns that the elections could spark intimidation and violence, or that widespread cheating would de-legitimize the process and lead to further political and social unrest. Some feared that increasing Islamic extremism in other parts of our area presaged the rise of an intolerant variety of political Islam in Indonesia. To directly address these concerns, and help ensure that the election process was peaceful, free, and fair, The Asia Foundation, AusAID, and USAID worked in close cooperation to develop and implement one of the most comprehensive and effective election and democracy support programs ever conducted in Asia. The innovative program was conducted in partnership with a broad coalition of Islamic and Christian mass-based organizations and secular NGOs. This coalition, named The People’s Voter Education Network, under the acronym JPPR, in its extraordinary diversity actually embodied the very Indonesian ideals of democratic tolerance and pluralism.

The USAID, through The Asia Foundation, provided the JPPR's funding for the April 2004 legislative election, during which the JPPR conducted thousands of grassroots voter education meetings and distributed millions of posters, leaflets, and voter's guides, and incredibly deployed 141,000 election observers on election day. Since USAID exhausted most of its available resources during the legislative election, and since AusAID, USAID and The Asia Foundation all shared a common strategy for addressing the challenges facing Indonesian elections, AusAID agreed to provide funding for the JPPR's effort for the July 5<sup>th</sup> Presidential election, during which the JPPR very impressively deployed more than 100,000 election observers.

When no clear winner emerged from this Presidential election, a run-off election was scheduled for September 20, 2004. Since it had been uncertain earlier that there would be a second round, there was significantly less financial support available for this, the third election of 2004. However, working cooperatively with the JPPR, the Foundation, AusAID, and USAID developed an innovative and cost-effective observation strategy that built on the capacity previously developed with AusAID and USAID collaborative support, thus enabled the JPPR to deploy 40,000 observers nationwide with just one-seventh the funding used for the first round.

In short, in 2004 the shared vision, mutual respect, and constructive relationships developed over decades of programming in Indonesia enabled AusAID and USAID, with and through The Asia Foundation, to forge a partnership that clearly had a positive impact on stability by promoting tolerance and pluralism and by advancing democracy in the region. And based upon what we can now foresee, The Foundation has every reason to believe that it can and certainly wishes to continue to play an implementing role in the coordinated or at least complementary programs of the Australian and American foreign aid agencies' development work in Indonesia. We are enthusiastic about playing such a role, too, in Afghanistan, and hope the Foundation's role in coordinated Australian-American aid programs can be extended to other parts of the Asia-Pacific region.

## **VI. Thoughts on the Future of the Australia – United States Relationship**

I will conclude my remarks by sharing some thoughts about the future of Australia-United States relations. These thoughts are drawn from my long-term service as a Member of Congress, from my friendship and admiration of Australians, and from my conviction that the Australian-American relationship is a very important one for both countries and their citizens. As such, of course, these views are not attributable to The Asia Foundation or the United States Government.

In examining recent Australian news reports and editorials, opinion pieces, and academic papers, it is quite clear that more questions are now being asked in your country about the benefits and liabilities for Australia's alliance and close relationship with the United States. No doubt some of these questions spring from China's rising power, from the

world-wide decline in support for the United States because of the Iraq conflict, the violent post-war insurgency in that country, and widely perceived American unilateralism. And, of course, terrorist acts perpetrated against countries allied or friendly to America also cause such questions to be asked. Additionally, it is likely that Prime Minister John Howard's recent official visit to Washington, D.C. has caused our two countries' relationship to receive additional scrutiny in Australia, not totally unrelated to partisan politics.

Among others, a respected Australian commentator has said "It is naïve to think that the U.S. and China won't become rivals or that Australia won't have to make choices of some sort between them."<sup>18</sup> I emphatically disagree. While I do believe that China's future political trajectory is the most uncertain of any major country, while China's military modernization and build-up does deserve close attention (especially if it continues to be particularly oriented to the area of the Taiwan Straits), and while the anti-China sentiment is escalating again toward pre 9/11 levels in some American sectors, I do not believe that China is absolutely destined to be an adversary of the United States. China and America could well have a stable, non-threatening, even complementary relationship, if positive, concentrated, skillful diplomacy is brought to bear by both China and the United States. Increased integration of China into the institutions of the international community and increased Sino-American economic interdependence also should be important factors in decreasing the likelihood of vehement antagonism or conflict.

Australian and American leaders properly insist that Australia does not have to choose between China and America - - only pursue its national interest as it relates to either. At the July 19<sup>th</sup> joint Bush-Howard press conference in the White House, the Prime Minister directly spoke about this false choice. The Prime Minister said, regarding "some inevitable dust-up" occurring between China and the U.S., "I don't believe that and share a great deal of optimism that that is going to be prevented." He also importantly went on to say that Australians "don't presume any kind of intermediary role." President Bush, for his part characterized America's relations with China as "a complicated relationship," but went on to say that:

"Australia first of all, has got to act in her own interests. And there is no doubt in my mind [that] the Prime Minister will do that. Secondly, though, we can work together to reinforce the need for China to accept certain values as universal – the value of minority rights, the value of freedom for people to speak, the value of freedom of religion, the same values we share."<sup>19</sup>

The next point I could make, is that Australia's candid views shared with the United States on international affairs generally, but especially on matters related to Southeast Asia and the countries of the South Pacific region, would benefit both the United States and Australia. Of course it would almost always be better to have such candor expressed in private at the highest levels government, and whenever possible, it would often be beneficial for such conversations to include opposition party leader from both sides of the

Pacific as well. American leaders need to hear Australia leaders when they have different or more nuanced views.

One Australian academic recently put it this way in speaking in general about the desired stance of an Australian Government: “a more critical, less reflexive alliance partner may benefit Australia and the U.S.”<sup>20</sup> I would also add that at a time when the United States is seen as increasingly unilateralist in the exercise of its power, there is an even greater reason why the U.S. Government should give greater heed to the views of our closest, most loyal allies.

With the importance I attach to the further democratic development of Indonesia and enhanced Indonesian-American relations, I was very pleased, for example, to hear President Bush in the July 19<sup>th</sup> press conference emphasize that he “appreciated the Prime Minister’s strong advice about Malaysia and Indonesia,” for, he continued: “John Howard has a lot of experience with the leaders of those countries – as well as the political process in those countries. And it’s always good to visit with a friend about how he sees the world.”<sup>21</sup>

I think it is fairly obvious that if Australian good counsel can help America avoid policy errors or to discover and choose the best available option, as America’s strong ally Australia can both avoid some of the repercussions of poor American policy choices and avoid being put on the spot to explain why it supports or fails to support a questionable American policy choice. Of course the same candor among close allies also applies in reverse, but in fact, America as the global power usually is not reluctant to give allies our candid views and advice.

As former long-term member of the U.S. House Permanent Select Committee on Intelligence and an international relations legislator, I know too, and would emphasize for Australians, the fact that your country brings a great deal to the table in interaction with the United States because of your greater contact with, and knowledge of, your regional neighbors. Americans depend, perhaps more than you know, upon Australian intelligence information on your region. Your intelligence is based upon a level of regional interaction, human intelligence sources, and analytical expertise which we usually cannot match. Fortunately our close, mutual intelligence-sharing and personnel exchanges with Australia are only matched by those the U.S. has with the United Kingdom. It is also noteworthy that your government recognizes that an alliance with the United States “gives Australia privileged access to technology and joint training that maintains Australia’s defense capability and enhances Australia’s ability to defend [itself].”<sup>22</sup>

I would suggest there is another significant reason why a strong Australian-American alliance is important for both countries and the region. It too was stated forthrightly by the Australian Government in policy briefing notes prepared for use on Capitol Hill in Washington, D.C. in preparation for the congressional vote on the Australia-U.S. Free Trade Agreement. The case was made that “by providing one of the anchors for U.S. engagement in our region, the alliance makes an important contribution to the stability

and prosperity of the Asia-Pacific.”<sup>23</sup> This is significant, for I can tell you that during my six-year tenure as Chairman of the House Asia-Pacific Subcommittee, the most frequent question I was asked by political leaders throughout Southeast Asia was whether the United States and Americans are committed to maintaining a substantial political, economic, and military commitment to the region. I did my best to reassure these leaders who were at first concerned primarily about rising Japanese economic dominance; later and today their questions are clearly prompted by a “rising China.” Thus I would emphasize the importance of the strong, anchoring alliances in the region which we have with Australia and Japan.

I also want you to know that I understand that an alliance with United States, even a strong, long-term one like the one we have with Australia, is a high-maintenance arrangement for our partners. What do I mean? I am admitting that there are at least two characteristics of the American governmental system which surely must test the patience and adroitness of presidents, prime ministers, and foreign ministers in every country, but especially both those countries which are our allies and indeed those countries which the U.S. might have on its problem list.

Why is that the case? First, as you know, my country does not have a parliamentary form of government. We have the U.S. Congress, which in contrast to other nations’ legislatures, has more inherent powers that it can and often does exercise quite independently and contradictorily from the President and the Executive Branch. There are frequent and long periods when the political party controlling one or both houses of Congress is not the party occupying the White House. Individually and collectively American legislators also have more resources at their disposal than in any other legislative body and they can and frequently do act and vote quite independently from their leaders or political party.

In addition, in a large country with a huge domestic market and relative physical isolation from other countries, as compared to the size and geographic proximity of European or Asian nations, American legislators are, not surprisingly, on average, less knowledgeable and less interested in foreign affairs. They may also hear the strong message from their constituents that foreign affairs should be low in their legislators’ priorities.

Combine those characteristics of the American congressional system with the fact that a high percentage of American presidents come from governorships with little or no substantial experience or expertise in foreign affairs or national security issues, and you have an American ally which often gives very mixed and inconsistent signals and dramatic policy shifts for interpretation by both friends and foes. I know it borders on heresy for an American to say this, but on various matters I sometimes look longingly at the characteristics and results from a parliamentary system.

All of this discourse on the unique characteristics of the American congressional/presidential system is to emphasize the importance of strong, steadfast, patient allies who will try to understand the American governmental system and proclivities, but especially when necessary, candidly tell us when our actions and



programs are contradictory, counterproductive, or flat out wrong. Australia has the characteristics and, I believe, the motivation to be such an ally and I truly hope you will be even more persistent in giving your counsel to the U.S. Government. Winston Churchill waxed hyperbolically, but certainly with some evidence that: "The United States invariably does the right thing after having exhausted every other alternative."<sup>24</sup> Help us find the right answer sooner.

Ladies and gentlemen, Australian friends, in concluding remarks, I would confidently suggest that if, today, Alfred Deakin could look down on the Australian-American alliance he began to foster to protect Australian national interests, he would be very pleased that the results which have evolved have enhanced the national interests of Australia in times of both war and peace. Americans also would be overwhelmingly positive about the friendship and alliance which Alfred Deakin and Theodore Roosevelt together launched for the independent national interests of the two countries they led nearly one hundred years ago. I am convinced that the Australian-American alliance will remain strong if it is properly fostered with all due attention to its importance - - and if both our countries jointly, candidly consult on international affairs and then carefully, wisely pursue our respective national interests.

Ladies and gentlemen: it's a wise man who chooses his closest friends with both head and heart; the same is true for nations.

## Endnotes

<sup>1</sup> United States Government, U.S. Department of the Navy, Naval Historical Center, “The Great White Fleet.” Frequently Asked Questions 19 October 2004, 22 July 2005 <<http://www.history.navy.mil/faqs/faq42-1.htm>>.

<sup>2</sup> United States Government, U.S. Department of the Navy.

<sup>3</sup> Edmund Morris, Theodore Rex (New York: Random House, 2001).

<sup>4</sup> United States Government, U.S. Department of the Navy.

<sup>5</sup> Paul Kelly, 100 Years: The Australian Story (Crows Nest, NSW: Allen and Unwin, 2001).

<sup>6</sup> Commonwealth of Australia, Department of Foreign Affairs and Trade, “Australia and the United States – Foreign Policy Brief.” United States of America, 22 July 2005 <[http://www.dfat.gov.au/geo/us/policy\\_brief.html](http://www.dfat.gov.au/geo/us/policy_brief.html)>.

<sup>7</sup> Hon. Alexander Downer, Australia’s International Development Cooperation 2004-05 (Canberra: Minister for Foreign Affairs, Commonwealth of Australia, Department of Foreign Affairs and Trade, 2004) ix and 1.

<sup>8</sup> Commonwealth of Australia, Department of Foreign Affairs and Trade, Advancing the National Interest – Australia’s Foreign and Trade Policy White Paper (Canberra: Commonwealth of Australia, Department of Foreign Affairs and Trade, 2003) 118.

<sup>9</sup> Commonwealth of Australia, Department of Foreign Affairs and Trade, Advancing the National Interest – Australia’s Foreign and Trade Policy White Paper vii.

<sup>10</sup> United States Government, U.S. Department of State and U.S. Agency for International Development, Security, Democracy, Prosperity – Strategic Plan – Fiscal Years 2004-2009 – Aligning Diplomacy and Development Assistance (Washington: GPO, 2003) Preface and 1.

<sup>11</sup> Commonwealth of Australia, Agency for International Development, Good Governance: Guiding Principles for Implementation (Canberra: Commonwealth of Australia, Agency for International Development, 2000) 7.

<sup>12</sup> United States Government, U.S. Department of State and U.S. Agency for International Development, Security, Democracy, Prosperity – Strategic Plan – Fiscal Years 2004-2009 – Aligning Diplomacy and Development Assistance 18.

<sup>13</sup> Commonwealth of Australia, Agency for International Development, Summary of Australia’s Overseas Aid Program 2005-06 (Canberra: Commonwealth of Australia, Agency for International Development, 2005) 4.

<sup>14</sup> Hon. George W. Bush, President of the United States, “President Thanks USAID Employees and NGO Presidents” (Remarks delivered at USAID Headquarters in Washington, D.C.), 10 January 2005.

<sup>15</sup> Dr. Barnett Baron, Executive Vice President of The Asia Foundation, served on the Asia Pacific Philanthropy Consortium’s Governing Council with Mr. Carrillo Gantner, President of the Myer Foundation. Ms. Christine Edwards, CEO of the Myer Foundation and the Sidney Myer Fund, currently serves on the Council. Dr. Baron provided a succinct list of the Consortium’s achievements, which is presented in this section.

<sup>16</sup> Although The Foundation's theory and approach to our work in governance reform is the result of the work of a team of talented and pragmatic professionals, in recent years it has been led by Dr. William Cole, our Director of Governance, Law, and Civil Society. The words I use to describe our approach to governance reform in our Asia programs which follow in this section are largely his words. Also, the Governance, Law, and Civil Society Program Budget Fiscal Year 2006 [draft narrative] (San Francisco: The Asia Foundation, 2005) was used as a reference.

<sup>17</sup> This description of the collaborative programs for the Indonesian elections is primarily the work of Dr. Douglas Ramage, Country Representative for The Asia Foundation in Indonesia.

<sup>18</sup> Paul Kelly, "Poised Between Giants," The Weekend Australian 23 July 2005: 32.

<sup>19</sup> Hon. George W. Bush, President of the United States, and Hon. John Howard, Prime Minister of the Commonwealth of Australia, White House Press Conference, 19 July 2005.

<sup>20</sup> Mark Beeson, "Australia's Relationship with the United States: The Case for Greater Independence," Australian Journal of Political Science Vol. 38 (2003).

<sup>21</sup> Hon. George W. Bush, President of the United States, and Hon. John Howard, Prime Minister of the Commonwealth of Australia.

<sup>22</sup> Commonwealth of Australia, Department of Foreign Affairs and Trade, "Australia and the United States – Foreign Policy Brief."

<sup>23</sup> Commonwealth of Australia, Department of Foreign Affairs and Trade, "Australia and the United States – Foreign Policy Brief."

<sup>24</sup> This quote is attributed to Hon. Winston Churchill, former Prime Minister of the United Kingdom.